EXHIBIT 4 FOR "DECLARATION OF PRIOR INVENTION..." Application No. 09/328,626

Attendees: Steve Bove, Gil Ronen, Jeanne Gill

Purpose: Review the current version of the rebalancing algorithm to determine if it is on track for meeting business requirements.

The following items were discussed:

- The algorithm presented tried to match the target portfolio at the level below SAA (e.g. short term bonds, foreign stocks, large cap stocks, etc.) . For the first implementation, asset selling and repositioning should stop when the portfolio would be within the tolerance level for the SAA's. The model will be developed so that this stopping point can be easily changed.
- A partial rollover of a 401(K) plan to and IRA can be done. At the plan level, the counselor should be able to say whether the entire plan should be moved, the entire plan should not be repositioned, or the definition of repositioning will be done at the individual asset level within the plan. If any assets would be repositioned, the counselor would need to indicate whether this is within the existing plan or to an IRA at Vanguard. This would be defined for the plan, not individual assets. If the repositioning is within the assets available to the plan, and the plan has a mixture of VGI and non-VGI funds, the algorithm should have a preference for VGI funds vs. non-VGI funds when selecting a new fund to purchase.
- Before checking to see if the portfolio will meet the target SAA amounts within the tolerance level, we should sell any assets designated as definite sells and any assets which are maybe repositionable, are not within a desired SAA, and are either a loss or have no tax cost associated with them.
- During the sell process, if the current portfolio adjusted for sales so far is within the target variance for the SAA's but no cost has been incurred to achieve this state, continue trying to sell assets to get closer to the targets.
- If the customer's bond investments should be municipal but they have corporate bonds in their taxable accounts, do not sell the corporate bonds to buy municipals. However, if more bonds must be purchased, do not buy into to the corporate fund, buy into the municipal fund. If the customer should be in corporate bonds but has municipals, the municipals would not be sold, but purchases would be in corporate bonds.
- The developed foreign allocation should be split 50/50 between Europe and Asia.
- Variance percents used to define tolerances (e.g. the range of acceptable values for an SAA target) should have two entries, negative and positive, variance rather than a single variance percent. This would enable the system to accept a lower negative variance and a higher positive variance. For example, if the target stock allocation is 50%, the acceptable tolerance could be 48% to 53%.
- Tolerance percents should be provided for meeting the 70/30 ratio of large market to mid/small indexed for using the Total Stock Market Portfolio fund as an alternate to Index 500 and Index Extended Market. This would allow the use of TSMP if the investments were close to the target ratios. For example 69% large market, 31% mid/small index could be switched to TSMP.
- Tax cost should be rounded to the nearest $100. This would allow the system to treat a similar tax costs as equal.

EXHIBIT 4